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**FISCAL IMPACT STATEMENT**

**LS 7272**

**BILL NUMBER:** HB 1434

**NOTE PREPARED:** Feb 21, 2005

**BILL AMENDED:** Feb 21, 2005

**SUBJECT:** Registering Interior Designers.

**FIRST AUTHOR:** Rep. Hinkle

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED: GENERAL**

**X DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill requires the Office of the Secretary of State to register interior designers. It establishes the requirements for registration and fees. The bill also requires the Secretary of State to deposit fees into the Electronic and Enhanced Access Fund.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** This bill requires the Secretary of State to provide for the registration of interior designers. Because the Secretary of State does not currently provide registration for other trades, the fiscal impact of this provision is based on both start-up and administration costs. Start-up costs may be greater than the annual operating costs once it is established.

The Secretary of State would be responsible for overseeing the registration process, collecting fees and preparing relevant forms. Common operating costs associated with the process include: printing, postage, supplies, telephone charges, and personnel. The fiscal impact is dependent on the number of applicants. According to the Professional Licensing Agency, their cost associated with license and renewal forms is approximately \$190 per one thousand forms; postage costs \$0.25 per license and \$0.34 per renewal.

*Staff Costs:* Additional staff may be required to administer the registration process. If an additional position is needed to implement and maintain the registry, an administrative assistant position would cost \$42,400 in FY 2006 and \$42,150 in FY 2007. A data processing operator would cost roughly \$39,400 in FY 2006 and \$39,000 in FY 2007. The funds and resources required here could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff

and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

*Computer Costs:* Although it is unknown how many interior designers might apply for registration in Indiana, it is presumed the electronic registry requirements could be fulfilled by using Microsoft Office products readily available on most state-issued computer systems. The Secretary of State may require \$1,000 to \$1,500 initially for an additional computer.

**Explanation of State Revenues:** The bill establishes fees for the registration of interior designers. An initial registration fee and the biennial renewal fee are both \$100. The fee for restoring a registration is \$300. All revenue generated by the fees is to be deposited in the Electronic and Enhanced Access Fund. Money in this fund is used by the Secretary of State to improve and enhance its technological service to its customers. It is continuously appropriated and may be used to implement the registration process. The amount of revenue that will be generated by this proposal is indeterminable, but will depend on the number of interior designers who seek certification.

*Penalty Provision* - A person who: claims another's certification as their own; intentionally gives false information to the Secretary; impersonates another certified designer; or uses an expired, suspended, or revoked registration commits a Class B misdemeanor.

If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** *Penalty Provision* - A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** *Penalty Provision* - If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Secretary of State.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** IC 4-5-10-5; Professional Licensing Agency.

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